

Discussion on I-976

11/21/19



I-976

- 53% rejection in Sound Transit District*
- 53% approval statewide

* Estimate; full precinct-level data not yet available for King County

ST3

- 54% yes
- 46% no



Current service

Link light rail

- University of Washington, Capitol Hill, Downtown Seattle, Sea-Tac Airport, Angle Lake
- Tacoma Dome to Theater District

Sounder rail

- Everett to Seattle
- Lakewood/Tacoma to Seattle

ST Express bus

- 28 regional bus routes



2021

Northgate Link Extension

- U District, Roosevelt, Northgate



2022

Hilltop Tacoma Link Extension

- Tacoma Link Extension to St. Joseph



2023

East Link Extension

- Mercer Island, Bellevue, Spring District, Redmond (Overlake)



2024

Lynnwood Link Extension

- Shoreline, Mountlake Terrace, Lynnwood

Downtown Redmond Link Extension

- SE and Downtown Redmond

Federal Way Link Extension

- Kent/Des Moines, Federal Way

Stride Bus Rapid Transit

- I-405 BRT – Lynnwood to Burien
- SR 522 BRT – Shoreline to Bothell



2030

Tacoma Dome Link Extension

- South Federal Way, Fife, East Tacoma, Tacoma Dome

West Seattle Link Extension

- Alaska Junction, Avalon, Delridge



2031

Link infill stations

- NE 130th St
- South Graham St
- South Boeing Access Rd



2035

Ballard Link Extension

- Ballard, Interbay Smith Cove, Seattle Center, South Lake Union, Denny, Midtown



2036

Everett Link Extension

- Everett, SR 526/Evergreen, SW Everett Industrial Center, Mariner, Ash Way, West Alderwood

Sounder expansions

- DuPont and Tillicum
- Sounder south capacity and access improvements completed



2039

Tacoma Link Extension to Tacoma Community College

- Six additional stations



2041

South Kirkland-Issaquah Link

- South Kirkland, Richards Road, Eastgate/Bellevue College, Issaquah

I-976 Application to Sound Transit

- Repeals statutory authority for MVET and Rental Car Tax
- Repeal of taxes takes effect after ST retires, refinances, or defeases bonds that are secured by the MVET and Rental Car Tax
- Reduces MVET authority from .8% to .2% if taxes are not repealed by April 1, 2020 (would apply only to future expansion plans submitted to voters)

Initiative language on effective date for Sound Transit provisions

NEW SECTION. **Sec. 16.** EFFECTIVE DATE. (1) Sections 10 and 11 of this act take effect on the date that the regional transit authority complies with section 12 of this act and retires, defeases, or refinances its outstanding bonds.

(2) Section 13 takes effect April 1, 2020, if sections 10 and 11 of this act have not taken effect by March 31, 2020.

(3) The regional transit authority must provide written notice

Voter pamphlet language

Any regional transit authority, such as Sound Transit, that has issued bonds financed by a motor vehicle excise tax would be required to defease, refinance, or retire the bonds early, if the bond contracts allow such action. Once the bonds have been defeased, refinanced, or retired, the authority to impose the MVET and the additional sales and use tax on rental cars would be repealed automatically. If the regional transit authority is not able to completely defease, refinance, or retire the bonds by March 31, 2020, any existing voter-approved MVETs would remain unchanged, and the maximum rate of future voter-approved MVETs would be reduced from 0.8% to 0.2%.

Coalition lawsuit filed Monday challenging initiative's constitutionality

- King County
- City of Seattle
- Port of Seattle
- Washington State Transit Association
- Amalgamated Transit Union Legislative Council of Washington
- Garfield County Transportation Authority
- Intercity Transit
- Association of Washington Cities

I-976 does not repeal Sound Transit's MVET tax until bonds are repaid and no longer outstanding

Agency will monitor I-976 litigation

Financial Impact if Bonds are defeased

- \$7.2 billion revenue loss through 2041
- \$521 million in direct cost, \$2.6 billion in new debt to retire \$2.3 billion in outstanding debt
- ST runs out of financial capacity as early as 2029, ST Board options:

Cancel projects

Delay projects

Reduce services

Scenario of delaying projects by 5 years:

- \$6 billion in added capital costs from inflation
- \$16 billion in additional interest through 2061
- Tax rollback delayed approximately 12 years
- \$25 billion in additional regional taxes

Without MVET and Rental Car Taxes, \$25 billion in additional taxes would be collected through 2061 to fund a delayed voter-approved program.